THE LEONARD LETTER

August 15, 2005

OUOTE OF THE WEEK

"If ye love wealth greater than liberty, the tranquility of servitude greater than the animating contest for freedom, go home from us in peace. We seek not your counsel, nor your arms. Crouch down and lick the hand that feeds you; and may posterity forget that ye were our countrymen." --- Samuel Adams, Signer, Declaration of Independence (1722-1803)

UNDER THE DOME

*** Intentions Revisited***

Last week I wrote that I was suspicious of the motives of the Business Properties Association recent alliance with the California Teachers Association. It appeared to me that the BPA was helping the CTA so that the CTA would not back any effort to tax commercial properties at a higher rate than Prop. 13 allows. In exchange, the BPA would oppose the Paycheck Protection measure that public employee unions, especially the CTA, oppose. The BPA called me to reiterate their support of Paycheck Protection, noting the group was a large financial donor of the reform measure. I checked the records and found that the BPA gave \$200,000 to the Small Business Action PAC, which, in turn, gave more than \$300,000 to the Coalition for Employee Rights/Yes on 75 campaign fund. So, if BPA is still supporting what the CTA so vehemently opposes, why the alliance? BPA tells me they are sincere in their goal of improving public schools. I look forward to what they propose.

In a Perfect World

Many readers responded to last week's series of articles about political contributions from labor unions and corporations. The main comment about my piece was that stockholders are not analogous to union members because stock holding is a voluntary activity whereas employees must join the union to work. Yes, owning stock is voluntary, so the question becomes: do you have enough information to make an informed, voluntary decision? As a shareholder, do you know which candidates and campaigns the company supports? Of course, my concern is that the measure being discussed will be drafted not to give shareholders a say in campaign donations, but to create insurmountable burdens that corporations will be unable to meet, thereby effectively prohibiting any corporation campaign donations at all. Many union leaders also believe that proponents of Prop. 75 are attempting to put those same impossible requirements on labor. I also heard from one public employee union that already has a system in place

where members can decline to have their fees used in political campaigns. Stay tuned for more discussion in future issues.

ISSUE FOCUS

Right to Police or Right to Bear Arms

Although some recent Supreme Court rulings have received much attention, I just learned about one that was not well covered. In Castle Rock v. Gonzales, the Supreme Court found that Jessica Gonzales did not have a constitutional right to police protection from a private individual even in the presence of a restraining order. The restraining order limited Mr. Gonzales's access to the couple's three children, but he kidnapped them. After the abduction, Ms. Gonzales called the police for assistance and they visited her residence, but said they could do nothing. The next day, Mr. Gonzales began shooting at the windows of a police station and was killed by the police who returned fire. The three children were then found murdered in Mr. Gonzales's pick-up truck. The Court ruled 7-2 that Ms. Gonzales had no right to sue the police department for not protecting her from her estranged husband.

That decision by the Court is not surprising. Several cases have set the precedent that the police have no affirmative duty to protect you. I commend the lesson about the recent ruling drawn by Independent Institute Research Fellow Wendy McElroy who edits the publication "Liberty for Women." She writes, "[G]iven that responsible adults need the ability to defend themselves, no law or policy should impede their access to gun ownership. Responsible adults—both male and female—have both a right and a need to defend themselves and their families, with lethal force if necessary. If [domestic violence] advocates had focused on putting a gun in Jessica's hand and training her to use it, then the three Gonzales children might still be alive." To read McElroy's complete analysis and her critique of women's rights groups that oppose such self-protection, see http://www.independent.org/newsroom/article.asp?id=1537

TAX NOTES

An Inconvenient Fee

The good news is that you can now pay your sales and use taxes with Visa. (MasterCard, Discover/Novus and American Express were already accepted. In the last year the BoE has received 16,762 credit card payments totaling more than \$53 million.) The bad news is that you will pay a "convenience fee totaling 2.5 percent of the transaction amount by the processing vendor." It is un-American to have to pay an extra fee for the privilege of paying your taxes, and calling it a "convenience fee" is just government jargon for "ripping you off." We need to move to a better system soon, and I am pushing the bureaucracy to get us there quickly. In the meantime, read your credit card agreements carefully. Perhaps the rebate points, airline miles or thank you gifts you receive will counterbalance the inconvenient fee you will have to pay along with your tax bill.

MISCELLANY

As Time Goes By

I am preparing for my 40th high school reunion. (Pacific High School, San Bernardino—Go Pirates!) The folks at the San Bernardino public library were kind enough to gather some historical information for me so that I do not have to rely on my 40 year-old memories for my speech. One of the headlines they found that struck me was "Ground Broken for Foothill Freeway." The subtitle says "\$336-Million Project Will Take 15 Years," and the lead paragraph quotes someone saying that the project would finally happen "after all the years of talking and studying and planning." Indeed, the freeway had been on the books since 1948, so by 1965 we were eager to have another route west. Yet when my reunion occurs this fall I will not be able to drive there on the Foothill Freeway because it still is not finished. It is now predicted to be complete in late 2007. The final price tag will exceed \$1.1 billion.

Other headlines that caught my eye make it seem as if no time has passed at all: "Brown Proposes Tax Reforms; Hikes, Too," "Official Predicts State Tax Hike," and "Legislative Jam Worse This Session Than Usual." And Halloween that year was marked by the Rolling Stones first American performance at the Swing Auditorium in San Bernardino.

A Good Read

This week I recommend a historical novel that will both entertain and inform. "Gone for Soldiers" by Jeff Shaara will teach you more about the Mexican-American War than you ever learned in the last U.S. history class took. Shaara takes us from the landing at Vera Cruz to the fall of Mexico City, covering the battles, relationships and political conflicts that animated the war. One of the most impressive qualities of this book is the insight given to U.S. soldiers who went on to fight in both sides of the Civil War. By examining how their relationships develop during the Mexican War, Shaara helps us understand how the men who would become our generals (Lee, Grant, Longstreet, Jackson, et al) learned their craft, honed their skills and developed their characters. That understanding makes what we know of the Civil War ever more interesting.

BOE AND LEGISLATIVE DATES

August 15, 2005 --- Legislature reconvenes from summer recess.

August 18, 2005 --- Deadline for legislature to place measures on the special election ballot.

August 31-September 1, 2005 --- BoE meets in Sacramento.

September 5, 2005 --- Labor Day.

September 9, 2005 --- Last day for any bill to pass the legislature; interim recess beings upon adjournment.

September 20-21, 2005 --- BoE meets in Culver City.

September 21, 2005 --- Taxpayers' Bill of Rights Hearing in Culver City.

October 25, 2005 --- Taxpayers' Bill of Rights Hearing in Sacramento.

NOTABLE DATES/ HISTORY

Correction: Last week I listed August 14, 1945 as the date that the Social Security Act became law. It was a typo that moved the event by a decade. The Act became law in 1935.

August 15, 1939 --- "Wizard of Oz" premiered at Grauman's Chinese Theater in Hollywood, CA.

August 15, 1948 --- Republic of Korea (South Korea) was proclaimed.

August 15, 1988 --- President Ronald Reagan addressed the Republican National Convention, saying "Our Party speaks for human freedom, for the sweep of liberties that are at the core of our existence."

August 16, 1812 --- American troops surrendered to the British at Detroit, MI, during the War of 1812.

August 17, 1786 --- Davy Crockett, frontiersman, adventurer and politician, was born.

August 17, 1846 --- U.S. took control of Los Angeles after two years of hostilities with Mexico.

August 17, 1863 --- Federal batteries and ships bombarded Fort Sumter, beginning the Civil War.

August 17, 1961 --- Construction of the Berlin Wall began.

August 18, 1920 --- Republican-authored 19th Amendment, giving women the vote, became part of the Constitution.

August 19, 1848 --- The New York Herald becomes the first east coast newspaper to publish an article confirming that gold had been discovered in California in January of that year.

August 20, 1866 --- President Andrew Johnson formally declared the Civil War over.

August 20, 1955 --- The first airplane to exceed 1800 mph (2897 kph) was flow by HA Hanes in Palmdale, CA.

GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115 TDD service for the hearing impaired

TDD phones: 800-735-2929 Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see http://www.boe.ca.gov/tra/tra.htm, or call toll-free 1-888-324-2798.

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